

Appendix K—References

The Bidder shall provide a list of the last three (3) contracts and subcontracts with minimum threshold amounts (i.e., claims with 500,000 lives and up), if applicable, completed during the past three (3) years and all contracts and subcontracts currently in process. Contracts listed may include those entered into by the Federal Government, agencies of state and local governments, and commercial customers. Include the following information for each contract and subcontract:

1. Name of contractor
2. Contract number
3. Contract type
4. Contract dollar value
5. Brief description of contract work
6. Name and phone number of contracting officer and/or program manager
7. Number of lives in contract

Appendix L—Cost Proposal Requirements

NOTE: Bidder must sign and date each page of this Cost Proposal in the spaces provided at the bottom of the page.

Complete each of the sections 1 through 6 below using the following assumptions and instructions.

General Assumptions

In completing this Cost Proposal, use the following assumptions:

- The respective Third Party Administration and Customer Service PMPM and PEPM fee quotes and the In-State Indemnity Physician Network Access fee quotes are to be valid from the implementation of program support through June 30, 2005. Thereafter, Third Party Administration and Customer Service fees will be prospectively adjusted based upon CPI-U for the preceding twelve (12) month time period (for example, fees for July 1, 2005, through June 30, 2006, will be adjusted based upon CPI-U for July 1, 2004, through June 30, 2005). Assume CPI-U of 5 percent in responding to this Cost Proposal.
- Average Medicaid population of 980,000 members throughout life of contract.
- Average PeachCare for Kids population of 120,000 members throughout life of contract.
- Average SHBP population of 570,000 members including both active and retired individuals. Of these, 398,000 total members (203,000 employees) are enrolled in PPO, CCO, and indemnity options. For the purposes of pricing access to the in-state indemnity physician network, assume that there are 24,500 employees in the indemnity option for SHBP. The remaining 172,000 SHBP members are enrolled in HMOs. For these members, the prime contractor would not provide TPA and customer services, but would provide open enrollment support. Assume these figures throughout the life of the contract.
- Average BORHP population of 75,000 total members (36,000 employees) in PPO, CCO, and indemnity options throughout the life of the contract. For the purposes of pricing access to the in-state indemnity physician network, assume that there are 7,500 employees in the indemnity option for BOR.
- For the purposes of this Appendix, Year 1 is considered to run from the contract start date (on or about June 15, 2001) through June 30, 2002. Subsequent Years run from July 1 of a given year through June 30 of the following year. Please note that the Operational Fees proposed for the Board of Regents Health Plan represent the period January 1, 2004 through December 31, 2004 for Year 3. Subsequent years for BOR run from January 1 of a given year through December 31 of the same year.

Third Party Administration and Customer Service Fees

Third Party Administration and Customer Service fees are subject to re-negotiation should membership volumes decline by more than 20 percent from those assumed in this Appendix.

The Third Party Administration and Customer Service Fees will not cover the following expenses, which will be reimbursed separately:

- The medical costs associated with SHBP, BORHP, Medicaid, and PeachCare for Kids;
- Postage costs

The Third Party Administration and Customer Service fee will cover all other costs associated with the delivery of third party administration services included in the scope of this RFP. In estimating costs, bidders' consideration should therefore include, but not be limited to:

- Continuous Technology Refresh (per RFP Section 1.1.5);
- Staff salaries and fringe benefits;
- Rent, utilities, and facilities maintenance;
- Telecommunications service charges;
- Insurance;
- Costs associated with the production and distribution of forms, handbooks, notices, monthly mailing inserts and brochures, checks, EOBs, and remittance advices;
- Costs associated with open enrollment support for SHBP;
- Bank and checking account fees;
- Software rental and maintenance fees;
- Consumable supplies;
- Maintenance of all computer equipment and routine software maintenance;
- Archival record storage and retrieval fees; and
- Purchase or replacement of all computer and administration equipment subsequent to implementation to support new staff or other program needs.

Fees for Managing other Contractors

The Prime Contractor must include their fee for managing all subcontractors included in their proposal. This fee does not include management of existing vendor such as MEDSTAT, Express Scripts, UniCare, Magellan, or the to-be-named Third Party Liability Recovery vendor. The Prime Contractor should assume that in the fiscal year commencing July 1, 2004, (January 1, 2005 for BOR) the services currently provided by UniCare for SHBP will need to be provided by the Prime contractor and his subcontractors. **The prime contractor bidder should adjust these fees over time to recognize the additional work required as contractors are added to the scope of services.** More specifically assume the following:

- Responsibility for the utilization management vendor for SHBP and BORHP as of July 1, 2004.
- Responsibility for the behavioral health management vendor for SHBP and BORHP as of July 1, 2002.

Please note that in future years, the DCH may request that services considered out of scope for this procurement be included. The DCH will negotiate costs associated with the new services at that time.

1. Cost Grid: Medicaid and PeachCare for Kids

Section	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
IMPLEMENTATION COSTS						
Phase I System Changes: Medicaid and PeachCare for Kids						
System Equipment: Medicaid and PeachCare for Kids						
Admin. Equipment: Medicaid and PeachCare for Kids						
Startup Cost: Medicaid and PeachCare for Kids						
<i>Medicaid and PeachCare for Kids Total Implementation Costs</i>						
OPERATIONAL COSTS						
Fee for Managing Contractors: Medicaid and PeachCare for Kids 10/1/02 through 6/30/06						
Claims Administration and Customer Service: Medicaid and PeachCare for Kids 10/1/02 through 6/30/06						
<i>Medicaid and PeachCare for Kids Total Operational Costs</i>						
Medicaid and PeachCare for Kids Grand Total Costs						

Year 1 = May 2001 – June 30, 2002

Year 2 = July 1, 2002 – June 30, 2003

Year 3 = July 1, 2003 – June 30, 2004

Year 4 = July 1, 2004 – June 30, 2005

Year 5 = July 1, 2005 – June 30, 2006

Note for Year 2 – The prime contractor will have both Implementation and Operational costs.

2. Cost Grid: SHBP and BORHP

Section	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
IMPLEMENTATION COSTS						
Phase I Changes: MEMS replacement						
Phase II Changes: SHBP and BORHP						
System Equipment: SHBP and BORHP						
Admin. Equipment: SHBP and BORHP						
Startup Cost: SHBP and BORHP						
<i>SHBP and BORHP Total Implementation Costs</i>						
OPERATIONAL COSTS						
Fee for Managing Contractors: SHBP and BORHP 7/1/03 through 6/30/06						
Claims Administration and Customer Service: SHBP 7/1/03 through 6/30/06						
In-State Indemnity Physician Network Access: SHBP 7/1/03 through 6/30/06						
Claims Administration and Customer Service: BORHP 1/1/04 through 6/30/06						
In-State Indemnity Physician Network Access: BORHP 1/1/04 through 6/30/06						
<i>Medicaid and PeachCare for Kids Total Operational Costs</i>						
Medicaid and PeachCare for Kids Grand Total Costs						

SHBP (Note – BOR operates on a calendar year basis)

Year 1 = May 2001 – June 30, 2002

Year 2 = July 1, 2002 – June 30, 2003

Year 3 = July 1, 2003 – June 30, 2004

Year 4 = July 1, 2004 – June 30, 2005

Year 5 = July 1, 2005 – June 30, 2006

3. Cost Grid: Shared Resources

Section	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
IMPLEMENTATION COSTS						
System Equipment: Shared						
Admin. Equipment: Shared						
Shared Implementation Grand Total Costs						

4. Cost Grid: Overall Totals (Grand Totals from previous Cost Grids)

Section	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Medicaid and PeachCare for Kids Grand Total Costs (from Cost Grid 1.)						
SHBP and BORHP Grand Total Costs (from Cost Grid 2.)						
Shared Implementation Grand Total Costs (from Cost Grid 3.)						
Overall Grand Total Costs for Medicaid, PeachCare for Kids, SHBP, and BORHP						

5. Third Party Administration and Customer Service Fee

The bidder must supply two Third Party Administration and Customer Service fee quotes, one for the administration of Medicaid and PeachCare for Kids, and the other for the administration of SHBP and BORHP. The Third Party Administration and Customer Service fee quotes should use the following pricing bases:

- PMPM (Per Member Per Month) basis for Medicaid and PeachCare for Kids fee:
\$_____
- PEPM (Per Employee Per Month) basis for SHBP and BORHP fee:
\$_____
Note the PEPM fee for BOR runs on a Calendar year basis.
- Paper claim per transaction fee for SHBP and BORHP Claims Run Out
\$_____
- Electronic claim per transaction fee for SHBP and BORHP Claims Run Out
\$_____

6. In-State Indemnity Physician Network Access Fee

The bidder must supply an In-State Indemnity Physician Network Access Fee applicable both to SHBP and BORHP members who select the indemnity plan option.

- PEPM (Per Employee Per Month) basis for SHBP and BORHP fee:
\$ _____

Appendix M—Certification Regarding Lobbying Form

CERTIFICATION REGARDING LOBBYING

CONTRACTOR: _____

PERIOD: _____

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SIGNATURE

TYPED NAME & TITLE

FIRM/ORGANIZATION

DATE

Appendix N—Contract Terms and Conditions

Note: The DCH will provide this via an amendment to the RFP at a later date.

Appendix O—Mandatory Minimum Contractor Requirements

The prime contractor and/or its subcontractors must adhere to the following:

- Have been licensed to transact business as a health benefits claims administrator for at least five years; and be licensed in the state of Georgia (to conduct the business of paying health claims on behalf of a self-insured health benefit plan and Medicaid program).
- The contractor and/or its subcontractors must have experience for at least three years in administering large volumes of Medicaid claims (20 million claims per year or more).
- The DCH/BOR business must not represent more than a 40 percent increase, on a company-wide basis, in existing health insurance claims volume for the last three years to the contractor(s) responsible for claims administration.
- The DCH/BOR claims must not represent more than a 40 percent increase in the dollar value of existing health insurance claims payment workload for the last three years to the contractor(s) responsible for claims administration.
- The contractor's financial statements must reflect a sound financial condition. If financial losses have occurred in one of the last two fiscal years, the current ratio of assets to liabilities must be favorable, as determined by DCH/BOR.
- The contractor must agree to establish a dedicated claims processing unit and customer service unit for Medicaid/PeachCare for Kids and for SHBP, and for BORHP, respectively.
- The contractor must have more than one/multiple claims and customer service offices to serve as backup to the primary service location for the DCH/BOR accounts.
- The contractor must establish one or more offices in Georgia to provide the services described in this RFP. At a minimum, the account office must be located in the metropolitan Atlanta area and the other key operational offices (i.e. the claims and customer service offices) must be located within the state of Georgia.
- Any contractor bidding as the prime contractor agrees it will perform a minimum of 60 percent of work specified in the RFP, as measured by price.
- The contractor must disclose the names and roles of all subcontractors.
- The contractor and all subcontractors will certify that they do not discriminate in employment practices based on race, color, religion, age, gender, marital status, political affiliation, national origin, or disability.
- The contractor must agree to provide claims processing software that is customized to the requirements of the DCH/BOR accounts.
- The key software application(s) used to support claim administration and customer services, not including updates, proposed for both commercial and Medicaid accounts must have been in use for at least one year—adjudicating and paying health insurance claims for a current or past client with at least one hundred thousand (100,000) covered employees/two hundred and fifty thousand (250,000) enrollees. DCH/BOR will entertain proposals consisting of developmental key software, however be advised that proposals containing complete development may be negatively evaluated.
- The claims software program(s) must provide for “online” or “real time” adjudication for claims and claim adjustments.
- The claims software program(s) must have web-enabled capabilities by the implementation dates of each program within DCH/BOR.

- The claims software program(s) must currently administer complex reimbursement methodologies such as diagnostic related groupings (DRG), tertiary hospital/professional global rates, and resource based relative value scale (RBRVS) provider fee schedules.
- The claims software program(s) must currently be able to accept medical inpatient and outpatient preauthorization records from multiple vendors, and track and apply them correctly to claims for editing purposes.
- The contractor must agree to administer/accept the State's PPO provider network panel and fee schedules, a national PPO provider network panel and fee schedules, and an indemnity fee schedule provided by an external contractor.
- The contractor must have real-time phone monitoring and agree to allow the State to monitor member and provider calls. This monitoring capability must be available remotely if the customer service center is not located in the metropolitan Atlanta area.
- The contractor must offer firm fixed prices for:
 - design, development, and implementation of the Medicaid/PeachCare for Kids information system and associated services to occur by 10/01/2002;
 - design, development, and implementation of the State Health Benefit Plan information system and associated services to occur no later than 07/01/2003;
 - design, development, and implementation of the Board of Regents Health Benefit Plan information system and associated services to occur no later than January 1, 2004;
 - design, development, and implementation of a system to combine all DCH populations into one (or the appearance of one) information system platform on or before 01/01/2004, and all BOR populations on or before 01/01/2004;
 - each of three State Fiscal Year operational periods—beginning with State Fiscal Year 2003 (07/01/2002–06/30/2003). The operational costs must be broken out as required in **Appendix L** of the RFP; and
 - each year starting with State Fiscal Year 2003, provide a yearly fee for managing subcontractors proposed by the prime contractor in response to this RFP.
- The contractor must submit its pricing information in the format described in the pricing exhibits included in **Appendix L**.
- The contractor must agree that if selected, its pricing arrangements will not change during the initial contract year.
- The contractor and all subcontractors must agree that the eligibility and claim records and any records created from the eligibility and claim records are owned by the DCH/BOR and that confidentiality shall be maintained as specified in the specimen contract.
- The contractor must currently accept and process online or batch eligibility updates and that the claim system is currently capable of automatically verifying eligibility during adjudication.
- The contractor must submit its current system architecture for the proposed system(s).
- The contractor must agree to develop and maintain the interface system for the electronic transfer of data and other contractual information to DCH's/BOR's other third party vendors in a format determined by DCH and/or BOR.

- The contractor must pay all claims in accordance with the applicable DCH/BOR pricing and benefit schedules. The contractor must maintain all necessary pricing, demographic, benefit, and other information necessary for the proper payment of all claims. The required data and financial information must be supplied in formats approved by DCH/BOR. All costs associated with supplying the required data and financial information, including the cost of any electronic interface, shall be the responsibility of the Contractor.
- The contractor must agree to execute, within thirty (30) days of receipt, the Contract, in substantially the form as set forth in **Appendix N**, for the compensation stated in the proposal, if it is determined to be an apparent winning proposal.

Appendix P—Description of DCH Computer System and Communications Equipment

Computer System Description

I. General Description

The DCH is headquartered on six floors (6, 34, 37, 38, 39, and 40) at Two NW Peachtree Street, Atlanta, Georgia and has several remotely attached offices. The computer room is on the 38th floor. The Georgia Building Authority (GBA) provides and maintains the internal building wiring. The DCH is responsible for telephone and data communications in the building.

II. Internal Wiring and Communication Equipment

A. Wiring

The 38th floor is the central location for data communications. Floors 6, 34, 37, 39, and 40 are connected to the 38th floor equipment room via fiber optic cable. The connecting fiber optic cables for 6, 34, 37, 39, and 40 are attached to 10/100 Ethernet hubs, which connect into ATM switches on each floor.

Station cables are UTP, level five, four pair, copper cable. Each cable is “home run” from the station to the equipment room path panel. The path panel connections to the communications hub match the station cable specifications. Each station can accommodate two network connections.

GBA also provides a fiber optic backbone to the Georgia Online (GO) network. DCH’s local area network is connected to the backbone network through a router on the fifth floor.

B. Communications Equipment

Each local floor contains similar communications equipment. All components are Bay Networks, manufactured by Nortel. The components are described below.

Baystack 350 Autosense 10/100 Ethernet Hubs and/or Bay Network 5005 with 5625 10/100 Ethernet Switch, fiber connected to a Bay Networks Centillion 100 ATM Switch or Bay Networks 5724M ATM Switch MCP. All components are fiber connected to a Bay Networks 5000 Concentrator located in the computer room on the 38th floor.

The remote office in Tifton, Georgia connects to the network through the Internet via a VPN using a 128 ISDN line connection to a Bay Networks CLAM 863 ISDN and WAN Router connected to a Baystack 450 24T Switch.

The remote office at Peachtree 25 connects to the network via a fractional T1 connected to a Bay Networks ASN router on the network side and a Bay Networks ARN router on the remote side.

The remote office at 200 Piedmont connects to the network via the State fiber backbone.

All other remote connections are through the VPN via a T1 line and using an ISP and Bay Networks Connectivity Extranet Switch 2000.

III. Local Area Network and Workstations

A. General

DCH's local area network type is Ethernet. The supported protocol is TCP/IP. The supported network operating system is Microsoft Windows NT Server 4.0.

B. Workstations

All workstations have the following minimum configuration.

Vendor:	Dell or Compaq
Processor:	Intel Pentium II, 400 Mhz
Ram Memory:	64MB
Hard Disk:	6 Gigs
Floppy Drive:	(1) 3.5"
CD ROM:	32X
Video System:	Color SVGA, 17" Monitor
Keyboard:	101 Key Enhanced
Mouse:	Two Button
Operating System:	Microsoft NT Workstation 4.0

IV. Wide Area Communications

DCH's wide area communications includes connections to the GO network, EDS' network, EDS' client/server, **MEDSTAT**, ESI, BlueCross/BlueShield, the Internet, and DCH remote offices with remote dial in, and connections as described above.

A. GO Network and Internet (DOAS)

The GO network is accessed via TCP/IP. The Internet is connected through a router on the fiber backbone. The router channels Internet traffic to a port protected by a firewall.

B. EDS

EDS provides two circuits. One circuit (56K) connects DCH's local area network to the EDS wide area network. The other circuit (T1) is dedicated to the client/server tracking system. The 56K circuit supports the 3270 emulation via an SNA gateway.

C. MEDSTAT

MEDSTAT is connected via a frame relay circuit using a Verlink router. A dial in line for diagnosis and trouble shooting is connected on an as needed basis.

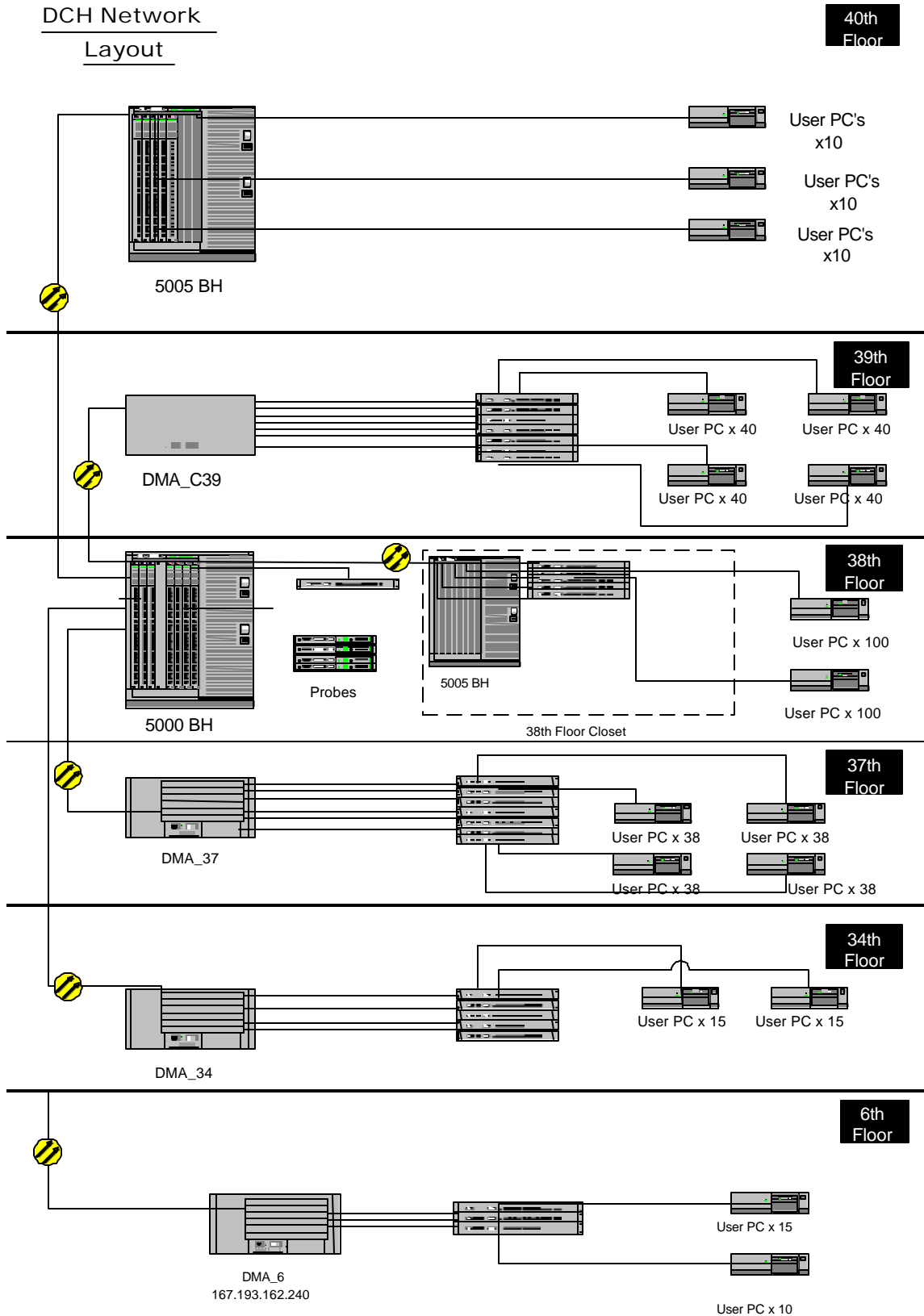
D. ESI

ESI is connected via a T1 circuit using a Cisco 2600 router.

E. BlueCross/BlueShield

BlueCross/BlueShield is connected via a T1 circuit on a Cisco 2600 router located at 200 Piedmont.

DCH Network
Layout



Appendix Q—Description of BOR Computer System and Communications Equipment

Note: BOR will provide this via an amendment to the RFP at a later date.

Appendix R—State of Georgia Portal Strategy

Note: This shall be provided in a separate document.